

50X1-HUM

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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| COUNTRY        | China  | REPORT          | <input type="text"/> | 50X1-HUM |
| SUBJECT        | Salt Production and Distribution Procedures, Kwangtung | DATE DISTR.     | 19 November 1953     |          |
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During April and May 1953 the salt field workers of the Huiyang (N 23-05, E 114-26) salt district were required to hand in the salt they produced to the storehouses of the salt field. They received their wages and food according to the amount of salt they produced. Sale and purchase of salt was to be done only on the public market and no private sale of salt was allowed. The Chinese Communist authorities set a price of JMP 230,000 for 100 catties of salt. This included JMP 30,000 as salt production cost, JMP 180,000 as salt tax equal to the cost of 100 catties of white rice, and JMP 20,000 as traders' profits. The traders did not consider that JMP 20,000 was enough to pay their living and transportation fees, so they refused to transport the salt. The authorities then made the South China Trading Company responsible for all transportation of salt. They raised the salt price to JMP 500,000 per 100 catties, setting JMP 30,000 as the salt production cost, JMP 180,000 as the salt tax, JMP 180,000 as the transportation fee, and JMP 110,000 as government profit. Although Huiyang was a salt producing district, the market price of salt was up to JMP 5,000 per catty.

Comment. According to the Hua Chiao Jih Pao, 17 February 1953, there was a shortage of salt throughout Kwangtung because of the monopoly held by the Kwangtung branch of the "China Salt Industry Company".

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